

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 06176 01 OF 02 050736Z

ACTION EA-12

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08

FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02

OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-07 CEA-01 /101 W

-----112332 050739Z /11/14

R 040717Z AUG 78

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 3988

INFO AMEMBASSY BANGKOK

AMCONSUL BRISBANE

AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMCONSUL HONG KONG

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY KABUL

AMEMBASSY KATHMANDU

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMCONSUL MELBOURNE

AMEMBASSY NEW DELHI

AMEMBASSY PORT MORESBY

AMCONSUL PERTH

AMEMBASSY RANGOON

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY SUVA

AMCONSUL SYDNEY

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE SECTION 1 OF 2 CANBERRA 6176

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 06176 01 OF 02 050736Z

CORRECTED COPY TEXT (PARA 2)

USADB ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: BEXP, EGEN, ETRD, AS

SUBJ: U.S. PROCUREMENT FORM ASIAN DEVELOPMENT BANK

REF: (A) STATE 155300(NOTAL), (B) CANBERRA 5133,
(C) CANBERRA 5305(NOTAL), (D) STATE 180955(NOTAL),
(E) CANBERRA 5678(NOTAL)

1. SUMMARY: THIS MESSAGE PROVIDES SUPPLEMENTAL INFORMATION TO DEPARTMENT CONCERNING U.S. PROCUREMENT FROM THE ASIAN DEVELOPMENT BANK (ADB). AMERICAN FIRMS OPERATING IN AUSTRALIA DO HAVE AN EFFECTIVE VEHICLE AND MECHANISM IN THE FORM OF THE MAJOR PROJECTS COMMITTEE (MPC) OF THE AMCHAM FOR PURPOSE OF MONITORING AUSTRALIA-WIDE PROJECTS. MPC IS ALREADY CIRCULATING ADB PROJECT LIST FOR REVIEW BY MEMBER FIRMS. RESPONSE HAS BEEN DISCOURAGING. AMCHAM BELIEVES APCAC CAN PLAY A ROLE IN THIS REGARD. SHIFTS IN COMPOSITION OF U.S. FIRMS COMPRISING AMCHAM OVER PAST YEARS SEEM TO HAVE HAD ADVERSE IMPACT ON INTEREST IN ADB PROCUREMENT FROM THIS BASE. END SUMMARY.

2. ONE OF THE MOST EFFECTIVE COMMITTEES OF THE AMCHAM IN AUSTRALIA IS ITS MPC. COMPRISED OF ENGINEERING/BUILDING/ CONTRACTING/CONSTRUCTION FIRMS AS WELL AS EQUIPMENT SUPPLIERS, THE MPC GATHERS INFORMATION ON PRIVATE AND PUBLIC PROJECTS, AND PUBLISHES THESE DATA IN A LIST WHICH IS REGULARLY REVIEWED AND UP-DATED AND CIRCULATED TO ITS MEMBERS AND PROVIDES DATA ON: 1) CLIENT OR OTHER PARTICIPANT; 2) TYPE OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 06176 01 OF 02 050736Z

PROJECT; 3) CAPACITY (THAT IS STAGES, PHASES, COMPONENT OR OTHER TECHNICAL ASPECTS OF ENGINEERING OR RELEVANT AND KEY TECHNICAL DATA); 4) LOCATION; 5) VALUE; 6) TIMING; 7) STATUS; 8) CONTACT; 9) AMCHAM MONITOR. THESE DATA ARE CRITICAL TO AN EARLY AND APPROPRIATE FOCUS ON MEMBERS ON SEIZING TARGETS OF OPPORTUNITY IN AUSTRALIA-BASED PROJECTS BY AMCHAM MEMBER FIRMS OR THEIR PARENT IN THE UNITED STATES OR AS APPROPRIATE, BY THE RESPONSIBLE REGIONAL HEADQUARTERS OF THE U.S. FIRM. MPC ARRANGED SOME MONTHS AGO TO OBTAIN BY MAIL A COPY OF THE ASIAN DEVELOPMENT BANK, BOARD OF DIRECTORS, MONTHLY OPERATIONAL INFORMATION BULLETIN. THIS BULLETIN IS CIRCULATED TO THE AMCHAM REGIONAL OFFICES IN AUSTRALIA (MELBOURNE, PERTH, ADELAIDE, BRISBANE) BY THE MPC OFFICE IN SYDNEY. MPC CHAIRMAN AND SYDNEY EXECUTIVE OF THE AMCHAM INFORM US THAT THE RESPONSE AND EXPRESSIONS OF INTEREST BY U.S. MEMBER FIRMS HAS BEEN DISAPPOINTING. THEY LAY THIS IN PART TO THE TEN POINT CAPTION HEADINGS FOR LOANS AND TECHNICAL ASSISTANCE IN THE BULLETIN WHICH DO NOT DEFINE PROJECTS CLEARLY ENOUGH OR PROVIDE SUFFICIENT DATA ON CONTACTS AND HOW MONITORED. MPC AND AMCHAM SPOKESMEN ADMIT THAT THESE DATA MAY BE OBTAINABLE AND ACKNOWLEDGE THAT PERHAPS MORE DILIGENCE IS REQUIRED TO PURSUE AVENUES OF

INTEREST. NEVERTHELESS, THEY POINT OUT THAT NO AMOUNT OF CAJOLING ON PART OF MPC SEEMS TO IMPROVE THE SITUATION. THEY SUGGEST THAT THIS IS ONE AREA WHERE APCAC COULD HELP (IF THE USG CANNOT) BY PROVIDING THE INFORMATION ANALYSIS AND MISSING DATA FOR AN OVERLAY ON THE BULLETIN WHICH MEMBER AMCHAMS COULD USE TO FOCUS MEMBERS ON SEIZING TARGETS OF OPPORTUNITY PROMPTLY.

3. ANOTHER FACTOR AFFECTING EXPRESSIONS OF INTEREST BY U.S. MEMBER FIRMS ACCORDING TO THE AMCHAM SEEMS TO HAVE BEEN THE DRAMATIC REDUCTION OVER THE PAST 3 TO 5 YEARS OF THE NUMBER OF REGIONAL OFFICES OF U.S. FIRMS THAT ARE BASED IN AUSTRALIA. AMCHAM HAS ALMOST COMPLETED A SURVEY WHICH SHOWS THAT THE NUMBER HAS DROPPED FROM OVER 220 TO UNDER ONE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 CANBER 06176 01 OF 02 050736Z

HUNDRED TODAY. MPC AND AMCHAM EXECUTIVE DO BELIEVE THAT REGIONAL OFFICES CAN BE IMPORTANT IN ANY DISCUSSIONS OF PROJECT PARTICIPATION AND PROCUREMENT. THEY ALSO NOTE THAT THE LOWERING OF AIRFARES AND THE INCREASE IN PER DIEM HAVE BEEN FACTORS IN THE MOVEMENT OF REGIONAL OFFICES BACK TO HAWAII OR THE U.S. MAINLAND FROM WHICH U.S. FIRMS CAN EFFECTIVELY OPERATE GIVEN THE IMPROVEMENT IN REGIONAL COMMUNICATIONS.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 CANBER 06176 02 OF 02 040913Z
ACTION EA-12

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 /101 W

-----092211 040934Z /14

R 040717Z AUG 78
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 3989
INFO AMEMBASSY BANGKOK
AMCONSUL BRISBANE
AMEMBASSY COLOMBO
AMEMBASSY DACCA

AMCONSUL HONG KONG
AMEMBASSY ISLAMABAD
AMEMBASSY JAKARTA
AMEMBASSY KABUL
AMEMBASSY KATHMANDU
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMCONSUL MELBOURNE
AMEMBASSY NEW DELHI
AMEMBASSY PORT MORESBY
AMCONSUL PERTH
AMEMBASSY RANGOON
AMEMBASSY SEOUL
AMEMBASSY SINGAPORE
AMEMBASSY SUVA
AMCONSUL SYDNEY
AMEMBASSY TAIPEI
AMEMBASSY TOKYO
AMEMBASSY VIENTIANE
AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE SECTION 2 OF 2 CANBERRA 6176

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 06176 02 OF 02 040913Z

USADB ALSO FOR EMBASSY

4. WE CULLED TWENTY-THREE POINTS FROM THE REPORTS OF POSTS IN THE REGION ON THIS ISSUE AND RAN THEM PAST THE AMCHAM AND THE MPC. OF THESE, WE FOUND THE FOLLOWING COMMENTS ALSO TO BE OF SUFFICIENT INTEREST TO PASS THEM ALONG FOR THE INTER-AGENCY REVIEW:

- THERE IS NO MAJOR PROBLEM OF TIME TO WORK UP PROJECT PROPOSALS. THE REAL ISSUE IS AN UNDERSTANDING OF THE SCOPE OF THE PROJECT AND HOW PROPOSALS AND BIDS ARE MONITORED.

- DISTANCE FROM PROJECTS IS DEFINITELY A FACTOR AS REGARDS INTEREST BECAUSE AT RELATIVELY MODEST MARGINS, THE COST OF SERVICE AND MAINTENANCE CAN MAKE PARTICIPATION UNPROFITABLE.

-THE OFFICIAL AGENCIES OF THE USG IN MANILA OR WHEREVER LOCATED WITH A FOCUS ON THE ADB (OR U.S. PERSONNEL IN THE ADB) SHOULD FOCUS ON THE "APPROVED LISTS" AND THE MECHANISM OF HOW "SHORT LISTS" ARE DETERMINED. THE U.S. FIRMS POLLED BELIEVE THEY CAN STAND ON THEIR PROPOSALS AND INDEMNIFICATION CREDENTIALS, THE PROBLEM OF BEING ARBITRARILY SELECTED " OFF SHORT LISTS" IS A VERY REAL MATTER OF CONCERN.

- U.S. FIRMS (WITH CLUSTERS OF PROFIT CENTERS) OPERATING WITH A GREAT DEAL OF AUTONOMY IN THE REGION CAN BEAT MOST COMPETITION INCLUDING JAPANESE COMPETITION ON ADB PROJECTS PROCUREMENT. GREATER CLARITY ON SPECIFICATIONS CAN GREATLY ASSIST U.S. FIRMS. WHAT THEY ARE SAYING IS THAT U.S. FIRMS HAVE CAPACITY FOR MULTI-SOURCING FOR PROJECTS THAT SHOULD ENABLE THEM TO WIN A LARGER SHARE OF PROJECT PROCUREMENT. GIVEN THESE FACTS WITH A GREATER AWARENESS OF U.S. PRIVATE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 06176 02 OF 02 040913Z

FINANCIAL INSTITUTIONS OF THE OPPORTUNITIES BEING MISSED BY U.S. FIRMS WOULD HELP.

5. CONCLUSION: WE BELIEVE THAT THE ADB ISSUE (AND PROCUREMENT FROM THE IFIS) SHOULD BE A MAJOR AND CONTINUING QUESTION PLACED HIGH ON THE AGENDA OF THE QUESTIONS BEING FACTORED INTO THE LIST FOR EXPANDED AND CONTINUING DIALOGUE WITH APCAC. THIS IS BEING DONE IN AUSTRALIA.
ALSTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, DEVELOPMENT BANKS, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CANBER06176
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780329-0135, D780320-1069
Format: TEL
From: CANBERRA USADB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780899/aaaadfab.tel
Line Count: 247
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e100366a-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 155300, 78 CANBERRA 5133, 78 CANBERRA 5305, 78 STATE 180955, 78 CANBERRA 5678
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1839796
Secure: OPEN
Status: NATIVE
Subject: U.S. PROCUREMENT FORM ASIAN DEVELOPMENT BANK
TAGS: BEXP, EGEN, ETRD, AS, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e100366a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014